

Message Text

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ACTION ARA-10

INFO OCT-01 ISO-00 CIAE-00 COME-00 EB-08 INR-07 LAB-04
NSAE-00 SIL-01 DODE-00 PM-04 H-01 L-03 NSC-05 PA-01
PRS-01 SP-02 SS-15 USIA-06 AID-05 OMB-01 TRSE-00 A-01
OPR-02 SY-05 MCT-01 CU-02 FRB-03 XMB-02 /091 W
-----112154Z 000201 /75-62

P R 112034Z MAR 77
FM AMEMBASSY BOGOTA
TO SECSTATE WASHDC PRIORITY 409
INFO AMEMBASSY CARACAS
USSOUTHCOM
AMCONSUL MEDELLIN
AMCONSUL CALI
AMCONSUL BARRANQUILLA

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E.O. 11652: N/A
TAGS: PINS, ELAB, ECON, CO
SUBJECT: THE WEEK IN COLOMBIA

1. SUMMARY. UNION DISSATISFACTION WITH PAY INCREASES IN THE
FACE OF COLOMBIA'S RISING COST OF LIVING PROMPTED PEACEFUL
DEMONSTRATIONS AND STRIKES THIS WEEK IN SEVERAL CITIES.
POLITICALLY MOTIVATED GROUPS CONTINUED THEIR EFFORTS TO DISTURB
THE PUBLIC ORDER WITH OUTBURSTS OF VIOLENCE ON UNIVERSITY
CAMPUSES. END SUMMARY.

2. LABOR SCENE REMAINS ACTIVE BUT DECIDELY CALMER.
DEVELOPMENTS IN THE LABOR SCENE INDICATED THAT A COMMON GROUND
IS BEING REACHED IN WAGE SETTLEMENTS, WITH PRIVATE SECTOR
UNIONS SETTling FOR INCREASES SLIGHTLY HIGHER THAN THE
EIGHTEEN PERCENT WAGE INCREASE GRANTED BY THE GOC TO
PUBLIC SECTOR EMPLOYEES. PORT AND STEEL INDUSTRY UNIONS
HAVE SETTLED FOR TWENTY TO TWENTY-TWO PERCENT INCREASES
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WHICH COULD WELL SET THE TREND FOR OTHER PRIVATE SECTOR
UNIONS. THE SITUATION IN ECOPTEROL (STATE-OWNED PETROLEUM
COMPANY) CALMED DOWN LATE IN THE WEEK WHEN UNION AND
MANAGEMENTS, FOLLOWING THE INTERVENTION OF PRESIDENT LOPEZ, AGREED
TO RESUME NEGOTIATIONS ON MARCH 14. MEANWHILE, PUBLIC SECTOR
EMPLOYEES, UPSET OVER THE GOC'S REFUSAL TO AUGMENT THE EIGHTEEN
PERCENT WAGE INCREASE GRANTED EARLIER(BOGOTA 2242), HELD A 24-

HOURLY WORK STOPPAGE MARCH 10 WITH VERY LIMITED SUCCESS. MOST PUBLIC SERVANTS APPARENTLY HEEDED GOVERNMENT WARNINGSS OF DISMISSAL IF THEY FAILED TO REPORT FOR WORK.

THE MARCH 4 PUBLIC DEMONSTRATIONS (BOGOTA 2102) TO SUPPORT UNION DEMANDS, ESPECIALLY THOSE OF THE COMMUNIST-CONTROLLED ECOPETROL UNION, WERE ORDERLY. CROWD ESTIMATES VARIED FROM 10,000 (BY NATIONAL PRESS REPORTS) TO 150,000 (BY COMMUNIST PRESS REPORTS). COMMENT: IF THE COST OF LIVING CONTINUES TO INCREASE AS IN THE PAST TWO MONTHS (SEE BELOW), A RENEWAL OF WORKER UNREST LATER IN THE YEAR CAN BE EXPECTED AS CURRENTLY NEGOTIATED WAGE GAINS ARE LOST TO INFLATION. LABOR CONTRACTS USUALLY HAVE A TWO-YEAR LIFE SPAN, AND REAL WAGE LEVELS ARE ALMOST CERTAIN TO FALL UNLESS THE UNIONS RENEGOTIATE THESE CONTRACTS LATER THIS YEAR.

3. STUDENT VIOLENCE CONTINUES. ALTHOUGH ORDER WAS MAINTAINED DURING THE MASS RALLY IN BOGOTA ON MARCH 4 (SEE ABOVE), A CONCURRENT SYMPATHY DEMONSTRATION BY STUDENTS AT THE NATIONAL UNIVERSITY CAMPUS LED TO VIOLENCE AND THE USE OF TEAR GAS BY POLICE. FURTHER DISTURBANCES AT THE UNIVERSITY ON MARCH 10, INITIATED BY AN ATTACK ON POLICE ASSIGNED TO WATCH THE CAMPUS, RESULTED IN THE ARREST OF FIFTY STUDENTS AND MINOR INJURIES TO SEVERAL OF THE PARTICIPANTS. IN A MYSTERIOUS INCIDENT AT THE UNIVERSITY OF SANTANDER IN BUCARAMANGA ON MARCH 9, A SMALL GROUP OF MASKED INDIVIDUALS KIDNAPPED THE RECTOR OF THE UNIVERSITY AND HIS ASSISTANT, INTERROGATED THEM FOR SEVERAL HOURS, THEN RELEASED THEM UNHARMED..

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4. INFLATION INCREASES. THE COMBINED CONSUMER PRICE INDEX INCREASED BY 3.6PCT IN FEBRUARY, A SEASONALLY ADJUSTED RATE OF OVER 26PCT. THE CONSUMER PRICE INDEX FOR WORKERS INCREASED BY 4PCT AND THAT FOR EMPLOYEES BY 3.3PCT. THE GOVERNMENT HAS HELD THE MONEY SUPPLY GROWTH SO FAR THIS YEAR TO A MINUS 2PCT WITH THE 100PCT MARGINAL RESERVE REQUIREMENT. BANKS, WHICH ARE MERELY CHANNELING DEPOSITORS' FUNDS TO CERTIFICATES OF DEPOSITS, ARE LIQUID, BUT WITH MORE EXPENSIVE FUNDS. THE EXTRA-BANK MARKET IS ALSO FLOURISHING SO THAT THE GOVERNMENT'S STRONG MONETARY MEASURES MAY NOT BE EFFECTIVE IN BRINGING THE INFLATION RATE STRONGLY DOWNWARD. IF SO, THERE IS A POSSIBILITY THAT COLOMBIA COULD SLIP INTO HYPER-INFLATION. SANCHEZ

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: POLITICAL SUMMARIES
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Copy: SINGLE
Sent Date: 11-Mar-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
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